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TO RUEHC/SECSTATE WASHDC 4510
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RUCNASE/ASEAN MEMBER COLLECTIVE
RUCPDO/DEPT OF COMMERCE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS SECTION 01 OF 02 BANDAR SERI BEGAWAN 000095

SENSITIVE
SIPDIS

DEPARTMENT PASS FOR EAP/MTS/COPPOLAMG, EEB/TPP/IPE/URBANJ
STATE PASS TO USTR EHLEK, BAER
STATE PASS TO USPTO
SINGAPORE FOR FINATT BAKERS
BANGKOK FOR FCS/NESSJ

E.O. 12958: N/A
TAGS: [KIPR](#) [ECON](#) [ETRD](#) [USTR](#) [WTRO](#) [BX](#)

SUBJECT: GOVERNMENT OF BRUNEI HOSTS MUCH NEEDED TALKS WITH
MALAYSIAN RECORDING INDUSTRY

SUMMARY

1. (SBU) Representatives of Recording Industry Association of Malaysia (RIM) were back in Brunei on April 21 to discuss RIM's IPR concerns with the Brunei Attorney General's Chambers, Judiciary Department, Royal Brunei Police Force, and Royal Customs & Excise. After the meeting with GoB agencies in the morning, RIM had an open session with vendors in the afternoon, with the support and participation of the AGC, MFAT, and Police. Embassy Commercial Assistant was invited to attend the vendor session. RIM stated they want to work with GOB but has deep concerns regarding disc piracy. GoB officials did note their concerns regarding the perception of Brunei as a piracy haven. RIM seemed pleased with their discussions with GOB and there has been some public support as well for IPR enforcement. End Summary.

RIM APPRECIATES USG SUPPORT AND WANTS TO WORK WITH GOB

2. (U) RIM's CEO, NF Tan, acknowledged USG's support and assistance in advancing IPR issues in Brunei. Prior to presenting an overview of RIM and its activities to the audience, Mr. Tan stressed that RIM's purpose was to work with GOB and local vendors on a solution to benefit the music industry and Brunei. He stated that his presentation was based on facts and figures as a result of RIM's survey and monitoring of the Brunei music market. Tan noted that RIM only covers the music market, not movies, games, or other commodities.

RIM PRESENTS THE FACTS AS THEY SEE THEM

3. (SBU) In his presentation, Mr. Tan noted that RIM's music industry copyright covers Malaysia and Brunei and that there are 48 music CD outlets in Brunei, with a ratio of 1 shop for every 8000 residents. He stated that music piracy stood at more than 99 percent in 2007, and more than 95 percent in 2009 (including pirated ringtones). He stated RIM believes there is a syndicate in Brunei that is exporting pirated CDs to neighboring Malaysian towns of Limbang and Miri (based on raids carried out in by RIM). Tan highlighted that RIM sent legal notices to all 46 pirated music shops in November 2008 and that 44 shops still carried pirated music CDs as per Feb 26, 2009 survey. In addition, there are 6 pirated music vendors in country with one vendor dubbed the largest pirated supermarket in Asia. There are 5 outlets in Brunei contravening business law by operating without a business signboard.

SOME SUCCESS

¶4. (U) RIM believes there has been some success following their legal notification and discussions with several vendors. One vendor with several outlets has stopped sales of music CDs, whereas another has vowed to stop selling music CDs when their existing stock has been sold out. Unless unfair competition of all pirated music CDs are wiped out, the two vendors will not stock (original) music CDs.

QUESTION AND ANSWER SESSION GETS DETAILED

¶5. (U) A number of questions were raised during a detailed question and answer session with RIM. In regards to a question about music kiosks being allowed to legal copy songs, Mr. Tan indicated that RIM is currently in discussions with a prospective local distributor on digital music sales, i.e. paying for downloadable songs. This model would be more suitable for the current digital climate. A MFAT representative voiced their concern with Brunei's alleged exports of pirated CDs to Malaysia, in view of Brunei's current standing with United States Trade Representative's (USTR) Special 301 review. RIM suggested that Government to Government collaboration between the Brunei and Malaysia is necessary to tackle the disc piracy issue. RIM also pointed out the profits from pirate syndicates are used to fund illegal activities.

COMMENT

¶6. (SBU) At the end of the session, R. Ramalingan, RIM's General Manager, told Embassy Commercial Assistant that RIM had a very good meetings with the GoB agencies, and an agreeable solution has been reached. Without further details disclosed by RIM, post believes RIM has moved forward with GoB enforcement and legal agencies on the issue of rightholder's presence and support, a key obstacle identified in previous dialogues. In addition, post noted there has

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been public support for IPR enforcement in three consecutive issues of the opinion page in the local paper, Borneo Bulletin. The hope is that these recent positive steps are not simply a short term attempt to improve Brunei's standing in Special 301 process but rather part of a longer term effort by GoB to improve IPR enforcement.

TODD